MEDICAID SECTION 1931**

Section 1931 of the Social Security Act was established as part of the 1996 welfare reform law. Historically, the majority of Medicaid beneficiaries became categorically eligible for the program as a result of their enrollment in Aid to Families with Dependent Children (AFDC). Welfare reform delinked Medicaid and cash assistance and created a new eligibility category which is based on state AFDC eligibility standards in effect on July 16, 1996. Section 1931 requires states to cover at least those families with incomes below the 1996 AFDC income limits, regardless of whether they receive cash assistance. In addition, under Section 1931, states have greater flexibility to extend eligibility to more low-income families using any of these three mechanisms: (1) income disregards; (2) asset disregards, (3) increasing income and asset limits by as much as the increase in inflation since July 1996.

States	Earning Disregards (for applicants and recipients, unless noted)
Alaska	$150 and 33% of the remainder (for recipients only)
Arizona	$90 and 30% of the remainder (for recipients only)
Arkansas	20% of earnings (applicants and recipients) plus 60% of remainder (for recipients only)
California	All income between the old AFDC standard level and 100% is disregarded for applicants and recipients, or recipients may disregard $240 and 50% of remaining earnings, whichever is more advantageous to the family
Connecticut	All income between old AFDC standard and 150% FPL
District of Columbia	All income between old AFDC standard and 200% FPL
Florida	$200 and 50% of the remainder (for recipients only)
Iowa	20% of earnings and 50% of remainder
Kansas	$90 plus 40% of remaining earnings (for recipients only)
Maine	All income between old AFDC standard and 150% FPL
Maryland	20% of earnings

Minnesota	$120 and 1/3 of remaining earnings (for applicants only)
Montana	$200 in earnings and 25% of the remainder
Nebraska	20% of earnings
Nevada	$90 in earnings or 20% of earnings, whichever is more advantageous to the family
New Hampshire	20% of earnings
New Jersey	All income between old AFDC standard and 133% FPL
New Mexico	$120 and 1/3 of remaining earnings
New York	$90 in earnings and 46% of the remainder (for recipients only)
North Dakota	$90 or 27% of earnings (whichever is more advantageous to the family) plus $30 and 1/3 of the remaining earnings
Ohio	$250 and 50% of remaining earnings
Oklahoma	$120 in earnings
Oregon	$90 plus $30 and 1/3 of remaining income or 50% of earnings, whichever is more advantageous to the family
Pennsylvania	50% of earnings or $90, whichever is more advantageous to the family
Rhode Island	All income between old AFDC standard and 185% FPL
South Carolina	$100 in earnings for recipients only
Vermont	$150 in earnings and 25% of remainder
Washington	50% of earnings
Wisconsin	$90 plus $30 and 1/3 of remaining income for 12 months (for applicants only)
Wyoming	$200 in earnings

** State Coverage Initiatives (2001). Medicaid Section 1931. State Coverages Initiatives.[On-Lone]. Available HTTP: http://www.statecoverage.net/section1931.htm [2001, April 19]